

## Message Text

UNCLASSIFIED

PAGE 01 SANTIA 05673 282201Z  
ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01  
INR-10 NSAE-00 ICA-20 TRSE-00 XMB-04 OPIC-06  
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07  
CEA-01 PA-02 H-02 L-03 HA-05 /117 W  
-----005585 291555Z /45

R 282135Z JUL 78  
FM AMEMBASSY SANTIAGO  
TO SECSTATE WASHDC 7

UNCLAS SANTIAGO 5673

E. O. 11652: N/A  
TAGS: ECON, EFIN, EGEN, PINT, SHUM, CI  
SUBJECT: PRESS COMMENT ON KENNEDY/HARKIN BANKING AMENDMENT

REF: SANTIAGO 5619

1. LA TERCERA EDITORIAL JULY 28 DISCUSSES KENNEDY/HARIN BANKING AMENDMENT. COMMENTARY DEPICTS THIS INITIATIVE AS A SELF-SERVING ATTEMPT BY SENATOR KENNEDY TO BLACKMAIL THE U.S. BANKING COMMUNITY. ACCORDING TO LA TERCERA KENNEDY'S BASIC PHILOSOPHY IS THAT THE BANKS SHOULD BE MANAGED BY PROGRESSIVE ELEMENTS, WITH PROGRESSIVE DEFINED AS THOSE WHO SERVE KENNEDY'S INTERESTS AND POLITICAL PURPOSES. THE RESORT TO BLACKMAIL IS AN OUTGROWTH OF THE DESPAIR NOW FELT BY CHILE'S OPPONENTS OVER THE ECONOMIC AND FINANCIAL RECOVERY OF THE COUNTRY. THIS SUCCESS HAS STIRRED INTEREST IN LENDING TO AND INVESTING IN CHILE. SENATOR KENNEDY, SAYS THE EDITORIAL, SEEMS TO IGNORE THE FACT THAT THESE LOANS ARE NOT CHARITY. MOREOVER, HE FORGETS THAT EVEN IF HIS AMENDMENT WERE TO BECOME LAW, CHILE WOULD STILL HAVE ACCESS TO THE EUROPEAN FINANCIAL MARKET. LA TERCERA PREDICTS A STRONG REACTION TO THE AMENDMENT, INCLUDING IN THE U.S., AND CONCLUDES THAT THE PROPOSAL WILL FAIL. NOTWITHSTANDING THIS SETBACK, LA TERCERA EXPECTS CHILE'S ENEMY (KENNEDY) TO CONTINUE TO ATTEMPT IDEOLOGICAL-ECONOMIC MEASURES AGAINST THE COUNTRY.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 SANTIA 05673 282201Z

2. CONTINUING ITS OUTFRONT POSITION ON THE ISSUE, LA TERCERA ALSO CARRIED A PAGE 4 FEATURE ARTICLE UNDER HEADLINE QUOTE U.S. BANKS HAVE CONFIDENCE IN CHILE UNQUOTE. REFERRING TO DOMESTIC BANKING SOURCES LA TERCERA STATED THAT CHILE'S CREDIT OUTLOOK IS FAVORABLE AND IMPROVING. DESPITE THE EFFORTS OF POLITICAL GROUPS TO REDUCE LENDING TO CHILE THE ATTITUDE OF THE U.S.

PRIVATE SECTOR TOWARD CHILE IS EXCELLENT. ACCORDING TO LA TERCERA'S SOURCES, U.S. BANKS PUT CHILE'S CREDIT RATING IN THE SAME CATEGORY AS THOSE OF ITALY, SPAIN AND BRAZIL.

3. THE SAME ARTICLE GOES ON TO REPORT THAT TWO PROTESTS HAVE BEEN MADE BY ADMINISTRATIVE OFFICIALS NOTES THE ENORMOUS

INFLUENCE OF THE U.S. IN THE WORLD BANK AND, ACCORDING TO LA TERCERA, THE SHIFT OF CREDIT OPERATIONS TOWARDS LESS NEEDY BORROWERS. THE STORY CONCLUDES BY CLAIMING THAT OF THE \$2 BILLION IN WORLD BANK ASSISTANCE TO 15 LATIN AMERICAN AND CARIBBEAN STATES, CHILE IS NOT INCLUDED.

4. IN A COMPANION PIECE ON PAGE 24, LA TERCERA PLAYED A UPI WIRE STORY ON CONGRESS' JULY 27 REJECTION OF HUMAN RIGHTS AMENDMENTS TO THE SPECIAL EXIMBANK FUNDING AUTHORIZATION BILL. THE STORY REPORTS THAT THE HOUSE REJECTED REPRESENTATIVE HARKIN'S AMENDMENT BY A VOTE OF 286 TO 103. QUOTING HARKIN AND REPRESENTATIVE MARY ROSE OAKER TO THE EFFECT THAT NOW IS THE TIME TO HIFT FUNDS AWAY FROM HUMAN RIGHTS VIOLATORS AND TOWARDS NON-HUMAN RIGHTS VIOLATORS, THE STORY CONCLUDES WITH OPPONENT REPRESENTATIVE HENRY HYDE'S VIEW THAT QUOTE THE PURPOSE OF THE EXIMBANK IS NOT TO EVANGELIZE THE WORLD ON BEHALF OF HUMAN RIGHTS UNQUOTE.

5. COMMENT: REPRESENTATIVE HYDE IS WELL-KNOWN TO GOC OFFICIALS  
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 SANTIA 05673 282201Z

HAVING TAKEN AN ACTIVE ROLE IN THE JANUARY 1978 HOUSE BANKING COMMITTEE VISIT TO SANTIAGO.  
LANDAU

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS COMMENTS, AMENDMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978SANTIA05673  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780312-0107  
**Format:** TEL  
**From:** SANTIAGO  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t1978079/aaaaahge.tel  
**Line Count:** 97  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** c758827a-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION ARA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 SANTIAGO 5619  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 29 mar 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2099306  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PRESS COMMENT ON KENNEDY/HARKIN BANKING AMENDMENT  
**TAGS:** ECON, EFIN, EGEN, PINT, SHUM, CI  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/c758827a-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014